These are good jobs, which also serve as a catalyst for economic growth in Franklin County. That's good for everybody, not just the people who get jobs with Nissan.

The opening of this new plant is only the latest chapter in Nissan's long record of investment in Tennessee and in America. Nearly 40 years ago, Nissan sold its first vehicle in the United States. Almost 15 years ago, Nissan build its first truck in Tennessee. Since then, Nissan has grown tremendously, changing from a company that exclusively imported cars and trucks to a major U.S. automotive manufacturer with investment in the United States totalling over $2 billion. Fifteen years ago, Nissan made no vehicles here and bought few parts from U.S. suppliers. Now, over 70 percent of the Nissan cars and trucks sold in America are made here, and Nissan buys over $4 billion worth of parts and materials from U.S. suppliers each year.

Nissan's powertrain assembly plant is a good example of how international investment and trade can benefit people in places like Franklin County. We all hear about companies shutting down their American plants and moving operations overseas. Nissan, however, has turned this ''conventional wisdom'' on its head. The engines that will be made in Decherd have up till now been produced in Mexico and imported into the United States. Likewise, the transaxles that will be made at the Decherd facility have previously been assembled in Japan.

I applaud Nissan's confidence in America and extend our warmest welcome to Franklin County, TN.

THE BUDGET AGREEMENT

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1997

Mr. HAMILTON. Mr. Speaker, I am inserting my Washington Report for Wednesday, May 14, 1997, into the CONGRESSIONAL RECORD.

THE BUDGET AGREEMENT

President Clinton and congressional leaders recently reached an outline agreement on a plan to balance the budget in the year 2002. The agreement was reached principally because of the benefits of a roaring economy. Some tough decisions were made; many more were postponed. The agreed outline is a significant political achievement, but its economic impact remains to be seen.

Balancing the budget would be a major accomplishment. It would show that the federal government can get its fiscal house in order, and it would boost the economy. But I have been uneasy with the extravagant rhetoric accompanying the agreement. Several proponents have labeled it ''historic'', yet the plan makes fewer tough fiscal choices than the 1990 and 1993 budget agreements. I think there is a little less here than meets the eye.

The agreement is only a broad outline of budget policies. It calls for Medicare savings of $115 billion and Medicaid savings of $15 billion. Tax changes include $135 billion in reduced taxes, which may include a child tax credit and modest capital gains and estate tax relief. The agreement also reportedly includes education tax credits.

Details Unknown: The outline of this agreement is vague and missing critical details. Almost nothing is in writing. Negotiators disagree on interpreting key details, and the entire agreement may be in jeopardy. Congress must divide the money for tax cuts among popular competing proposals. New education programs must be fleshed out, and politically unpopular spending cuts must be approved. Disagreement on any of these unknown details could derail the agreement.

Economic Projections: One thing is clear: this agreement will fail to balance the budget if we have a recession before 2002. The longest period without a recession in the United States was 8 years and 10 months, from 1961 to 1969. We are now 6 years and 2 months into the expansion that began in March 1991; five more years without a recession would be unprecedented.

Final agreement was reached only when last-minute favorable economic forecasts gave negotiators an additional $225 billion to play with. This dramatic, overnight change demonstrates the power the economy has on the federal budget. With strong growth, deficits remain low. But if the economy falters, income falls and deficits soar, and it is difficult to rejuvenate economic activity. For this reason, budgets should be evaluated not just on bottom-line spending, but on the specific details with potential for long-term economic growth. The specifics in the following areas will be critical for the economy's future.

Tax Cuts: The proposed tax cuts include some measures, such as a child tax credit, that few economists believe will increase economic activity. They also do not reform payroll taxes, which hit low- and moderate-income families hardest and deter job creation.

Education: Investing in education can increase economic potential, but we must be careful to avoid tax credits or spending programs that will just drive up college tuition. The focus must be on training skilled workers for today's competitive, hi-tech markets.

Infrastructure: A successful budget will provide and maintain the roads, bridges, airports, water systems, and information networks necessary to keep the economy running smoothly. In southern Indiana, virtually all of the growth in the past few decades has coincided with improved infrastructure.

Long-term outlook: There is little in this agreement to avert the spending problems caused by our aging population. No serious Medicare policy changes are in this agreement, and negotiators did not consider proposals to improve the long-term health of Social Security. Also worrisome is the long-term impact of the proposed tax cuts. The proposed tax cuts will reduce revenue by $85 billion in the first five years, but they double in cost over the next five years. The previous five budget plans (1978, 1981, 1983, 1986, and 1990) all projected long-term balance, but Congress backed down when confronted with later-year tough decisions.

Winners and Losers: I have concerns about the fairness and equity of this plan. It will further imbalance a society that already has a sharp divide between well-to-do and moderate-income Americans. The agreement apparently gives tax breaks to the well-to-do and the middle class. These cuts are attractive, but they are offset by spending reductions in programs for the poor. We continue our recent habit of putting most of the balanced budget burden on the backs of people with modest means. The cuts in food stamps, job training, and public assistance have been substantial.

Like most successful negotiations, each party claimed victory, but they also gave things away. The congressional majority will get tax cuts for investors and the middle class, but they had to accept many of the President's spending priorities. The President got some extra money for education, children's health, and environmental protection, but he had to accept some of congressional leaders' tax and spending cuts. For this budget to be enacted, both parties will have to vote for specific proposals they find distasteful.

If a balanced budget is achieved, many Americans will gain. Interest rates will fall, savings and investment will rise, the trade deficit will shrink, and the economy should grow a little faster for a longer period of time. But older persons will pay more for Medicare, and physicians and hospitals will be squeezed. Defense industries will see some reductions, and airline travelers will continue to pay a ticket tax. Lower income Americans, who receive housing, heating, and nutrition support, are likely to see those programs reduced.

Conclusion: This budget agreement is significant more for the political consensus it represents than any great policy shift. I will reserve judgment until I see more than a vague outline. The plan may or may not reach balance in 2002, but it was achieved in an atmosphere of civility that can be important for the future. I am hopeful this spirit will give all parties confidence to work together on greater challenges in the future. These challenges must include a serious effort to address the longer-term budget issues that have been pushed to the side.

IN RECOGNITION OF IRISH FAMILIES FACING DEPORTATION

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1997

Mrs. MALONEY of New York. Mr. Speaker, I rise today in order to bring attention to the cases of Mr. McErlean, Mr. Megahey, Mr. Morrison, Mr. Crossan, Mr. Caulfield, and Mr. Pearson—Irish men who live in fear of being deported. They are all here legally, some have been here for over 20 years. They are married to American women or legal citizens and have American children and grandchildren.

They are not criminals, nor wanted for any crime in Ireland, Britain, or America.

However, these men are being targeted by the INS because they were imprisoned in Britain as political prisoners.

If the INS proceeds with their deportation, American families will suffer either the specter of having their family torn apart or having to move back to the North of Ireland where the persecution will resume.

There is no good reason to pursue these deportations. I think our justice system is the fairest in the world, but I think if we allow these men to be pulled away from their productive lives in America, justice will not be served and may endanger the lives of these American families.

I stand by my friends in the Committee for Irish Affairs who are making only a small plea for basic human rights for people who are our neighbors.